

Regular meeting of the City Council, Austin, Texas, July 22nd 1909.

Hon A P Wooldridge, Mayor presiding: Roll called:

Present Mayor Wooldridge, Councilmen Gracy, Hart & Powell 4

Absent excused Councilman Bartholomew 1

The minutes of the last regular meeting were read and approved.

Councilman Gracy moved to reconsider the vote by which the council adopted the report of the Committee on the petition of Chas Stephenson asking the Council to deed to him certain parts of streets in the Christian & Fellman Addition, which motion prevailed by the following vote: Yeas Mayor Wooldridge, Councilmen Gracy, Hart & Powell 4

On motion of Councilman Gracy Mr Stephenson was allowed to withdraw his petition.

Petitions, Memorials, etc:

The Mayor laid before the Council a petition from the Austin Dam & Suburban R R, asking permission to lay certain track, which was read and on motion laid over for future consideration.

Councilman Hart presented to the Council bids received by him for repairing the roof of the Hospital, from the Texas Cornice Works, Chas Bintliff, Steiner & J O Buas, which were read and laid over until Friday July 23rd 1909, for further investigation.

By Councilman Gracy an ordinance appropriating the sum of \$ 150.00 for the purpose of paying approved accounts City Parks.

The ordinance was read the first time and the rule suspended and the ordinance placed on its second reading by the following vote: Yeas Mayor Wooldridge, Councilmen Gracy, Hart & Powell 4

Nays none. The ordinance was read the second time and laid over until the next regular meeting.

By Councilman Gracy an ordinance appropriating the sum of \$ 480.00 for the purpose of paying salaries of Keepers of Parks for the year 1909. The ordinance was read the first time, and the rule suspended and the ordinance placed on its second reading by the following vote:

Yeas Mayor Wooldridge, Councilmen Gracy, Hart & Powell 4

Nays none. The ordinance was read the second time and laid over until the next regular meeting.

By Councilman Gracy an ordinance appropriating the sum of \$ 150.00 for the purpose of paying approved accounts City Cemetery.

The ordinance was read the first time and the rule suspended and the ordinance placed on its second reading by the following vote:

Yeas Mayor Wooldridge, Councilmen Gracy, Hart & Powell 4

Nays none. The ordinance was read the second time and laid over until the next regular meeting.

By Councilman Gracy an ordinance appropriating the sum of \$ 150.00 for the purpose of paying the salary of the City Sexton for the year 1909. The ordinance was read the first time and the rule suspended and the ordinance placed on its second reading by the following vote: Yeas Mayor Wooldridge, Councilmen Gracy, Hart & Powell 4

Nays None. The ordinance was read the second time and laid over until the next regular meeting. On motion the Council recessed.

Petition Chas Stephenson
withdrawn

Petitions, etc

Austin Dam & Suburban
R R. To lay tracks

Bids for repairing roof
at City Hospital

Approved for Parks

Salaries Parks
Keepers

App. for Cemetery

Salary Sexton

July 23rd 1909.

Council called to order by the Mayor: Roll called:

Present Mayor Wooldridge? Councilmen Gracy, Hart & Powell 4

Absent excused Councilman Bartholomew 1

Councilman Hart stated to the Council that he and Councilman Gracy had carefully considered the bids submitted to the Council for repairing the roof of the City Hospital and would recommend the acceptance of the bid of Mr Chas Bintliff, his being the lowest and best bid. Amount of bid, ^{old style} ~~the new~~ tin to be used was \$ ^{132.00} 118.00. The recommendation of the Committee was adopted, and the contract awarded to Mr Bintliff by the following vote:

Yeas Mayor Wooldridge, Councilmen Gracy, Hart & Powell 4

Nays none.

Councilman Hart then submitted to the Council bids received for furnishing Hose wagon for 10th Ward Fire Company, which were as follows, viz:

American - LaFrance Fire Engine Co	\$760.00
Seagraves Co	860.00
Swan Martin	785.70
Joseph Stumpf	669.50
Danley & Rogers	725.00

On motion of Councilman Powell the bid of Mr Joseph Stumpf was accepted, he being the lowest and best bidder, by the following vote:

Yeas Mayor Wooldridge, Councilmen Gracy, Hart & Powell 4

Nays none.

On motion the Council recessed, subject to call of the Mayor.

July 27th 1909.

The Council was called to order by the Mayor, with all members present, except Councilman Bartholomew, absent excused.

Mayor Wooldridge offered the following resolution, viz:

Resolved that the Mayor of the City be and he is hereby authorized to invite proposals for additional Cemetery grounds for the City of Austin, Texas:

The resolution was adopted by the following vote:

Yeas Mayor Wooldridge, Councilmen Gracy, Hart & Powell 4

Nays none.

Councilman Hart offered the following resolution:

Resolved by the City Council of the City of Austin that the Chief of Police of the City of Austin with the approval of the Superintendent of Police and

Public Safety, be and he is hereby authorized to appoint a City Detective, who shall at all times be under the control and supervision of the Superintendent of Police and Public Safety and Chief of Police and shall be assigned to such special service as is deemed advisable by said Officers for the public welfare and shall perform all such other duties as may be required of him.

He shall receive a salary of eighty-five dollars (\$ 85.00) per month payable monthly; he shall further receive the sum of not exceeding twenty dollars (\$20.) per month for such expenses as may be necessary in the prosecution of the work assigned him; he shall make an itemized statement of same, said statement of expenditures to be approved by the Chief of Police and Superintendent of Police and Public Safety. The resolution was adopted by the following vote:

Yeas Mayor Wooldridge, Councilmen Gracy, Hart & Powell 4 Nays none.

Contract repairing
roof of Hospital
Awarded to Chas
Bintliff

Bids for Wagon for
10th Ward Company
Awarded to
Joe Stumpf

Mayor authorized to
invite bids for
additional Cemetery
grounds

City Detective provided
for

On motion the Council adjourned.

James J. Johnson City Clerk.

Regular meeting of the City Council, Austin, Texas, July 29th 1909.
Hon A P Wooldridge, Mayor presiding: Roll called :

Present Mayor Wooldridge, Councilmen Gracy, Hart & Powell 4
Absent, excused Councilman Bartholomew 1

The minutes of the last regular meeting and recessed meetings were read and approved:

The Mayor laid before the Council an invitation from North Austin Hosiery Company No 6, to the Council and their families to attend the Thirtieth Anniversary of that Co to be held at their Hall on Monday evening August 2nd 1909, which was read and accepted.

By Councilman Hart petition of Citizens of Glenwood Addition asking the Council to appoint an Officer for that section of the City. The petition was read and on motion was referred to Councilman Hart for investigation and report.

Unfinished business :

The Mayor laid before the Council an ordinance appropriating the sum of \$ 150.00 for the purpose of paying approved accounts for Parks, which was read the third time., and laid over for the present .

The Mayor laid before the Council an application from S A Lawson for a building permit to erect a building within the Fire Limits, approved by the Board of Fire Commissioners, which was read the second time and the petition granted by the following vote :

Yeas Mayor Wooldridge, Councilmen Gracy, Hart & Powell 4
Nays none.

New business :

By Councilman Powell an ordinance to repeal Articles 492 and 499 and to amend Article 494 of the Revised ordinances of Austin, and to fix the salary and prescribe the duties of the City Engineer, and to fix the fees for engineering work, and the manner of their payment, and to provide penalties for the violation of the provisions hereof.

The ordinance was read the first time and a motion made to suspend the rule and place it on its second reading, which motion prevailed by the following vote: Yeas Mayor Wooldridge, Councilmen Gracy, Hart & Powell 4
Nays none.

By Councilman Powell an ordinance appropriating the sum of \$ 175.00 for the purpose of paying balance of estimates on West sixth street paving .The ordinance was read the first time and the rule suspended and the ordinance placed on its second reading by the following vote: Yeas Mayor Wooldridge, Councilmen Gracy, Hart & Powell 4
Nays none .

Invitation North Austin Hosiery Co to entertainment

Petition Citizens Glenwood Addition for Policeman

app for Parks

Petition S A Lawson for building permit

Ordinance fixing Salary of Engineer & prescribing his duties etc.

App for West 6th Street paving.

The ordinance was read the second time and laid over until the next regular meeting .

By Councilman Powell an ordinance appropriating the sum of \$ 225.00 for the purpose of paying salary of Assistant to City Engineer.

The ordinance was read the first time ,and on motion the rule was suspended and the ordinance placed on its second reading by the following vote :

Yeas Mayor Wooldridge, Councilmen Gracy, Hart & Powell 4

Nays none. *The ordinance was read the 2nd time and laid over until next meeting*

By Councilman Gracy an ordinance to amend Title XXXVIII, Chapter VII, Article 1045, Section 1, of the Revised ordinances of the City of Austin, providing for the levy and collection an annual tax on dealers in Spiritous, Vineous, and Malt liquors or medicated bitters, and providing a penalty for the violation thereof. The ordinance was read the first time and laid over until this evening.

By Councilman Powell an ordinance appropriating the sum of \$ 2461.00 for the purpose of paying salaries of regular employees Street dept 11909.

The ordinance was read the first time and passed under suspension of the rules by the following vote :

Yeas Mayor Wooldridge, Councilmen Gracy, Hart & Powell 4

Nays none.

By Councilman Gracy an ordinance appropriating the sum of \$ 25,000.00 for the purpose of paying approved accounts Water & Light Dept .

The ordinance was read the first time, the rule suspended and the ordinance placed on its second reading by the following vote:

Yeas Mayor Wooldridge, Councilmen Gracy, Hart & Powell 4

Nays none,

The ordinance was read the second time and laid over until the next regular meeting of the Council.

Mr Milton Morris who had been employed to install a System of Book-keeping for the Water & Light Dept , presented his report, which was read and referred to Councilman Bartholomew ., the original to be placed on file in the Office of the following is the report, viz:

Austin, Texas, July 14, 1909.

To the Hon Mayor and Councilmen, of the City of Austin, Texas.
Gentlemen :

I beg leave to report that I have completed the installation of a system of accounting or book-keeping in the Water & Light office, which I will review as briefly as the circumstances will permit .

As is well known the method or so called system heretofore in use was totally inadequate and has caused much annoyance, dissatisfaction and trouble of a more serious nature .

Before proceeding further I wish to state that the scope of my employment did not include a general audit as before, but the designing and installing of a system of accounting for the Water & Light office.

I was called upon however to make two examinations aside from this work . The first of which was for the purpose of ascertaining if a discrepancy existed between the amount of cash entered on the cash book as received from customers and the total sum posted to the credit of the customers accounts in the ledgers,

Salary Asst Engineer

Liquor Tax Ordinance

*Salaries regular employees
Street Dept*

*Appro.
Approved after Water
Light Dept*

*Report of Mil.
Morris Under*

cash for the year 1905. To do this it was of course necessary to examine the cash books and ledgers for the entire year. A report of the result of this examination was made to your honorable body.

After filing the report I was requested to ascertain if possible the probable cause of the discrepancy. This I proceeded to do in a manner that soon unearthed the cause of the discrepancy, the details of which, in so far as the examination was conducted, was duly reported.

Arrangements are being made to resume the checking of the books relative to the shortage, and it will no doubt, be hurried as rapidly as practicable to a successful termination. Progress will necessarily be quite slow owing to the arrangement of the books and cash stubs and the fact that the index to the ledgers has not been kept written up to date.

I am informed that a new index is nearing completion. There are about seventy the used entries to be found and compared, therefore sufficient time must be given the two gentlemen employed in which to complete this work.

The new books and forms.

At the beginning of my labors I was confronted with an unusual condition, namely, an incomplete set of records and practically all of those in use unsuited to the purposes for which they were being used. It was necessary therefore to study the conditions carefully and draft and have made books and forms for each branch of the service. This I have done. To dwell at length on the purposes and scope of all the various books and forms installed would doubtless prove uninteresting, hence I will mention only a few of the more important ones.

The following named books and forms have been provided and installed:

Cash book, receipts.

Cash book, disbursements of water department.

Cash book, " Electric Department.

Stock ledger.

Requisition, form

Requisition, Register.

Rebate book.

Allowance book.

Penalty book.

Transfer book.

General or controlling ledger.

The "Cash book, receipts", should show at all times the amount cash received during a given day or month from all sources, divided as follows

Water, Water penalties; Light, Light penalties; Power; City meters; Pittsburgh meters; General Electric meters and miscellaneous items.

By grouping and classifying the cash as it is received the time required to post it is reduced to a minimum, it being necessary to post to the controlling ledger only once each month. One entry for each class of receipts being sufficient.

The "cash book, disbursements of water department" is similar to the book just described except that it shows the classification and distribution of disbursements of this department and it

also reduces posting to a minimum. The same as to "cash book, disbursements of electric department".

The "Stock ledger" is intended to show at all times the exact quantity of each class and kind of material on hand and the value thereof. If properly kept it will be a perpetual inventory of the stock including cost or value.

The "Requisition form" should be used whenever material is to be taken from the stock. It is in triplicate, one copy to be given to the store-keeper, a second to the person receiving the goods while the third is retained. These are numbered, each set bearing the same number.

When a requisition is issued it should show the kind, quantity, price and where and for what purpose the material is to be used and also the account to which it is chargeable which should be designated by number.

Thus it will be seen that the first step taken with reference to the disposition of material makes a complete record in triplicate of the entire transaction, even to the naming of the expense account to which the material is to be charged. The requisition filled by the store-keeper are to serve as his vouchers.

The "Requisition register" should show the movement of all material taken from the store room each day, where used, for what purpose, quantity and value and the expense account to which it is charged. Necessary reports are compiled from this register.

The "Rebate book" show the details of all accounts receivable which are a loss and have to be finally charged off the books. The reason for failure to realize on the accounts is expected to be noted in the proper column of this book. After having been duly examined and approved by the proper Officer the amounts rebated are each month passed to the credit of the Cashiers account and to the debit of Rebate accounts.

The "Allowance book" should show the details of all amounts allowed for leaks, fast meters and other similar causes in which the City consents to share the loss.

Such allowances when approved are, each month, passed to the credit of the cashier and to the debit of allowance accounts. A distinction is drawn between rebates and allowances to prevent confusion and to show exactly how much of the gross earnings of the plant is charged off by consent of the City and the amount lost by reason of the failure to collect. In other words, when an account is not paid in full the reason of such failure must be briefly and clearly set forth in the proper record and such reasons approved as above noted before credit should be given.

The "Penalty book" should show the details of all penalty charges made for turning on water and light.

The "Transformer book" is to be used for the purpose of showing the number, type, Watts, Circuit, location and the amount of the load carried by each transformer. The main object of this book is to show at all times as near as may be, the load on each transformer and prevent overloading and burning out these valuable instruments.

The "General or controlling ledger" may be explained by saying "All roads lead to Rome". The controlling ledger is the center towards which all other books point. The details of all transactions are found in other records which point to

the controlling ledger where, grouped on the proper account under the correct heading may be seen the result or gross of each class of transaction. All the books must agree with this ledger, hence the name "controlling ledger".

This ledger will show one hundred and eight divisions of the expenses of the Water & light department, but only twelve pages are required for the purpose.

The expenses are first divided into four divisions of three accounts each, making twelve classes, these in turn are subdivided into an average of nine classes each, making in all one hundred and eight separate expense accounts.

The general divisions are as follows:

Water Department.

Plant betterments	.Pipe line extensions
Plant operation	.Pipe line operation
Plant maintenance	Pipe line maintenance

Electric Department.

Plant betterments	Line extensions
Plant operation	Line operation
Plant maintenance	Line maintenance

As before stated under each heading appears the subdivision of the general account. These are used in order to show precisely the disposition of all material used and cash disbursed for each class of expense.

Note. Here follows an illustration, which is not recorded in these minutes.

The cash distribution books and the Requisition or material Register, each above mentioned, group and classify the charges as the transactions occur, so that only one entry per month on each expense account is necessary.

The Cashier's account in the controlling ledger is similarly arranged and is self analyzing. In arranging the system of accounting I have kept in view accuracy, simplicity and brevity.

The system differs materially from those used in mercantile establishments and the person employed to keep the controlling ledger should have had much experience in Book-keeping and be familiar with corporation accounting.

Furthermore he must have absolute authority over all branches of the book-keeping of the department, otherwise he cannot show correct results. Unless the proper preliminary arrangements of the figures are made the final results, as reflected by the controlling ledger, will be untrue.

The books may be kept in balance and yet not show the facts. Aside from being correctly kept in other respects the books must show the proper distribution of earnings and expenses, otherwise the results will be misleading and consequently of little value.

The books will show whatever they are made to show, whether right or wrong, hence the necessity of familiarity with corporation accounting and then authority to direct the work.

All books and records should be written up to date and then so kept.

An invariable rule should be established that each days business be completed and closed with the day. Unless this is done the transactions and book-keeping between the different departments will become tangled and difficult to adjust. The system as a whole may be briefly explained by stating that the officer responsible for the earnings of the water & light plant, that is the sums charged to individuals for water, light, power and miscellaneous items, is charged with all accounts due the City as they become chargeable. It may be said that this officer stands between the City and all individuals indebted to the City.

He assumes, as it were, their indebtedness. He is charged with all of the debts and must account for every cent with which he is charged. As the accounts are paid credit is given him and the cash is passed to the Treasurer who is in turn charged with it and therefore assumes the responsibility of accounting for it. Material is purchased by the Council and paid for by the Treasurer who is then credited with the amount disbursed and at the same time the store-keeper's stock is charged with the material in quantity and value. Requisition being made on the store-keeper for the material, he delivers it and credit is given him and the proper expense account is charged. This is an exceedingly brief explanation will serve to show how the system connects and keeps a complete check on the dollar earned as it changes from earnings to cash and from cash to material (or other form) and from material to final lodgement on an expense account. From the moment a dollar is earned until it goes to its everlasting rest on an expense account it may be seen so to speak, either in the Cashiers account, Treasury, store room, betterments or surplus. It cannot escape.

Ascertaining conditions.

In order to open the books as of January 1st 1909, it was necessary to ascertain all balances due the Water & Light Department and all sums owing by the department on that date. One unacquainted with the conditions in the Water & Light office can not realize the amount of labor required to obtain this information.

In addition it was necessary to ascertain the kind, quality and value of each article in the store room, pipe and place yards and elsewhere, constituting the stock of material on hand. All these details as to stock had to be entered on the stock ledger.

In arriving at the balances due the City for Water, Light and Power Jan 1st, 1909, Jan 1st 1906 was made the starting point. The accounts of consumers of water light and power, about six thousand in number, did not show the correct footings hence it was necessary to add the debit and credits of each of the three years in order to find the balance due. This was equal to examining eighteen thousand accounts for one year. Each year's business stands alone and no balances were shown or carried forward. Two credit columns, cash and allowances, had to be considered in many instances in arriving at the condition of an account.

Owing to incomplete and inaccurate records much investigation was required to ascertain facts relative to accounts other than water, light and power.

This subject will be mentioned again in this report.

Inventory incorrect.

After the stock ledger was about opened I discovered that the inventory of the stock at the store room which had been handed me for use in opening the stock ledger and records was incorrect. In three instances I tested the inventory with the stock actually present and found in each case a disagreement. While looking for the cause I was informed that while the inventory was being taken no record, other

. than the usual requisition, was kept of the material which was being taken out of stock. The result was that the quantity shown on the inventory of the plant as being on hand Jan, 1st 1909, was in some instances correct while in others it was incorrect, the correctness or incorrectness depending entirely whether or not the class of goods had been inventoried before or after a portion of it had been taken out of stock. Of course, the inventory throughout was rendered useless. I notified the then Mayor and Superintendent and the stock was again inventoried and the stock ledger corrected accordingly.

While on the subject of material I will state that it will be necessary to require a more careful compliance with the regulations in order to avoid mistakes and confusion in handling the stock. Requisitions must be issued before supplies are removed. The store-keeper must be furnished with a requisition for all meters sold on the day of sale regardless of when the meter is to be set.

Books are opened.

The books were opened as of January 1st 1909, and the trial balance herewith shows each account which should have been shown on a controlling ledger on that date and its condition.

By reference to Exhibit "A" herewith, it will be seen that the water & light department owed accounts on January 1st, 1909, aggregating \$35,198.43.

This sum is distributed in detail and charged to expense accounts as shown on trial balance under the following headings.

Water plant betterments	\$	21,262.23
Water Plant Operation		1,073.45
Water Plant Maintenance		371.20
Water Pipe line Extensions		834.56
Water Pipe line Operation		387.72
Water Pipe line Maintenance		483.38
		24,412.54
Electric Plant Betterments	\$	5,390.53
Electric Plant Operation		2,286.14
Electric Plant Maintenance		1,087.81
Electric Line Extensions		335.41
Electric Line Operation		556.21
Electric Line Maintenance		422.34
		10,087.44
		34,499.98
Stock account		694.65
Pittsburg Meter Co		3.80
		35,198.43

(Here follows statement of a trial balance, which is not copied in this record)

Inventory of the plant.

The inventory of the plant and fixtures, as wire, pole and Pipe mileage and machinery is not included in this report owing to its length and the

uninteresting technical descriptions, however it is on file in the Superintendents office and may be obtained. The total valuation of each branch of the plant was thought sufficient for this report.

Assets and Liabilities.

A brief review of the assets and liabilities of the Water & Light Plant as of January 1st 1909, may be of interest.

We find that uncollected accounts amounting to \$ 153,612.29 were on the books but as stated elsewhere all accounts, without reference to value, are included in the above total, no other safe course being open. All uncollectible accounts may, on approval, be charged off. And I would suggest that this be done as soon as practicable after a careful consideration of the accounts.

Available cash to the amount of \$ 11,024.33 is shown to have been on hand. Material for which payment had been made amounting to \$ 21,980.73 is shown to have been in stock.

Material for which payment had not been made, amounting to \$694.65 was also in stock but of course it has an offset in accounts payable, being included in Exhibit " A ".

All current liabilities as listed on Exhibit " A " aggregate \$ 35,198.43 .

The total value of the machinery, real estate, pipe and electric lines and fixtures as per figures furnished me was \$ 665,065.14 .

Water and Light Accounts .

The outstanding uncollected water and light balances after being ascertained were taken into the opening figures just as they stood without elimination. I did not feel that I had any discretion in the matter hence included all accounts. Any uncollectable accounts may be charged off when authorized. Accounts of the State of Texas showed large amounts due on January 1st 1909, when as a matter of fact much of it had been paid, deficiency warrants having been issued and delivered to the City in settlement thereof.

When these warrants were received the accounts should have been credited and an account styled " State Deficiency Warrants " opened and charged with the amount of the warrants. This would have cleared the State's accounts and made a proper record of the transaction. The total amount so paid but not duly credited was \$ 1,321.01 . There are a number of old accounts due for line extensions which should have been collected .

Special fund .

The fund known as the " Cashiers special fund " and used for the payment by check of current expenses should be closed and discontinued and in lieu thereof appropriations out of the general fund made from time to time for the purposes named. This method would simplify and shorten the work and keep the records up to date. As it is now being run the payments are passed through the books twice and thousands of dollars in time checks, freight bills, pay rolls and other accounts which have been paid, are frequently carried in the office as cash items. This should not be done but instead the expenses should be paid by warrant in the first place instead of by check, and passed directly through the books, once for all.

Office fund .

By reference to another part of this report it will be seen that the Cashier had a cash balance in office Jan, 1st, 1909, amounting to \$ 489.87 . Such a large sum should

- not be carried as office cash. One hundred dollars would be a large sum to carry for the purpose of making change and that is the only purpose for which office fund should be used.

Goods purchased .

Goods purchased for the use of the water and light department should pass through the hands of some representative of the City whose duty it is to see that all goods paid for have actually been received by the City .It is not enough that authority for the purchase has been given but it should be known that the quantity and quality of the goods delivered fully satisfies and covers the order.

A portion of the plants earnings are deposited in cash with the Treasurer and a portion with the store-keeper in the shape of material and to safeguard one is just as important as to protect the other.

Store room key.

I am informed that there is at least one key to the storeroom which is not in custody of the store-keeper. If he is to be held responsible for the stock no other person should have a key to the room.

Meters.

Meters are the cause of much friction between the consumers and the water and light office. The City is liable to be the loser when the meters are involved .If in the case of water high registration is found to have been caused by the City shares in the loss while on the other hand if the meter becomes clogged ,as they all do when in use very long ,it runs slow but this is unknown. Water meters seldom run fast but they may show a large consumption owing to leaks.

Electric meters are liable to run too fast or too slow, if too fast the customer is heard from forthwith but if too slow, as in the case of the water meter, no complaint is made and the City pockets the loss.

The City is at a disadvantage for if excessive consumption is shown complaint is made and if sustained the City discounts the bill while on the other hand under registration is seldom known and the City unconsciously foots the bill. The trouble cannot be avoided by any means other than the prompt and regular testing of all meters ,which I urgently recommend .

" Turn on " and " Cut off ".

Owing to disputes and allowances that follow, I would suggest that all agents and other customers be required to make written application at the water and light office for all " Cut Off " and " Turn on " of water and light .

Accounts are frequently disputed as to the time the notice was given.

If it was a matter of record ,by the party giving it, the City would not have such a large allowance account.

Delinquents.

I would respectfully recommend that a report be made each month showing the name ,address and amount unpaid of all accounts in arrears for sixty days or more, and it should be the duty of some one to see that the list is settled as rapidly as practicable .

Depreciation .

Once the management of a corporation is caused to realize the absolute necessity of providing reserves for the depreciation or obsolescence of their property provision is made without delay. I have not found that this important question has ever been considered by those who have from time to time managed the affairs of the Water and Light department of this City. Wear and tear cannot be avoided, hence provision should be made therefor when the earnings are being apportioned. Every day as the sun sinks in the west, the plant has contracted an unseen debt. Depreciation has made inroads and claimed portion of its life and shortened its time of usefulness, and it must soon cry out for help. When the cry is heard, "Reserve for depreciation" should come to the rescue and satisfy, through renewals and repairs the demand made.

Another and perhaps a more important factor than wear and tear in determining the effective life of an operating asset is that of obsolescence.

Buildings or machinery of plants of this character are seldom abandoned because they are worn out. While they are yet serviceable they have become antiquated, or otherwise unfitted for current requirements and are replaced. Therefore, in making provision for wear and tear obsolescence should be taken into consideration.

The people of this City have had to feel the full force of this expense since the water and light plant was constructed, and yet no provision has ever been made in advance to meet such expense.

When bonds are to be issued the law says: You are about to place your people in a position that will bring them face to face with an obligation and steps must now be taken to provide for the payment of that obligation, and the result is that interest and sinking funds are provided which take care of the obligation at maturity.

Just so when the City constructed the water and light plant.

Obligations of depreciation and obsolescence were as certain to be encountered as interest and sinking fund obligations, and provision in the way of reserve fund should have been made. I do not believe it too late to begin now as the future has in store much expense of the character named.

Estimates of work.

Work on the water and light pipe and pipe lines and elsewhere should be done on the estimate plan instead of the present piecemeal method. The work should be placed on a high business plane. An estimate of the total earnings and fixed expenses for the year should be made. The difference would be, approximately, the available revenue for the year which could be used for renewals, repairs, betterments and other purposes. The entire plant, including the pipe and electric lines should be examined with a view to removals, repairs and betterments that should be made during the year and a careful estimate made of the cost of each piece of work of consequence contemplated, all estimates to be numbered and considered and known by number. These should then be considered, each as to the necessities of the case, and if the available revenue was found insufficient for all estimates, those that could be safely postponed should give way to those of a more pressing nature. Appropriations for the approved estimates should then be made and as the work progresses the expense should be charged to the proper appropriation or estimate number. A report on each estimate should be made as often as desirable, showing the progress made and the expense incurred for each class of expense, as excavation, labor and material.

When the work is finished a complete statement should be made ,showing every detail of the cost of the work and the amount the actual cost had exceeded or fallen below the estimated cost .

Spending at random without knowing how numerous the demands may be ,or the sums that may be required to meet them,will lead to results which these suggestion have doubtless have caused you to picture in your own minds.

The estimate system is in general use by large corporations and is of unquestionable value and if it was adopted by the Water and Light Department the mist that now envelopes it along these lines would float away and the true conditions become discernable.

Irregularities.

While examining the customers ledgers for the purpose of ascertaining the amounts due the City for water ,light and power I noticed an account styled " State of Texas,Adj,Genl,Dept,"on which was charged water,55 days at \$ 35.00 - \$ 1,925.00.I made inquiry as to why the account had not been paid and was informed that unsuccessful attempts had been made to collect it and it could not be collected.After hearing this statement your Superintendent of Parks and Public Property instructed me to drop the account and not include it in my opening figures.I made a note of the matter and passed on to other questions.Later it developed that two payments of \$ 500.00 each had been made on the account ,neither of which had been credited on the ledger.

I inquired as to the application of the credits and was informed that they had been applied to " General Miscellaneous " . I found a number of accounts showing amounts due the City which on investigation were found to have been paid.

If the books are to reflect the real condition of the business they must contain each and every transaction ,recorded in a correct manner and at the proper time.This has not been done in the past,and in my opinion,will not be done in the future.Numerous instances could be named if space would permit,but I will mention only a few. While investigating another matter I found that certain cash collected at intervals from December 1st,1906 to July 31st,1908,a period of twenty months ,had not been entered on the cash book or deposited with the Treasurer until the date last mentioned.These collections amounted to \$ 456.84.Some collections are now being held off the cash book for days at a time.

I have reported these facts to the proper authorities,as several of your honorable body are aware,but conditions remain the same as before and in my opinion will so continue until vigorous action is taken. Comment would be mockery.

Conclusion.

The result of my labors is before you.
The Task has not been an easy one.

The volume of business it was necessary to investigate was quite large and the difficulties encountered would ,if enumerated,occupy more space than this entire report ,therefore I have not the slightest apology to

offer for the time consumed.

I now commit to your care the books and forms which I have prepared and installed with the sincere hope that you may so direct and guide the affairs of the department that they may be correctly kept and show forth the desired results at all times.

Respectfully submitted,

Milton Morris

Public Accountant and Auditor.

Councilman Hart moved that the report be received and filed and that a copy of same be furnished Councilman Bartholemew, which motion prevailed.

By Councilman Hart an ordinance to amend Title xxxviii, Chapter vii, Article 1045 Section 1, of the Revised ordinances of the City of Austin, providing for the levy and collection of an annual tax on Spiriteous, Vimeous and Malt Liquors or medicated bitters, and providing a penalty for the violation thereof.

The ordinance was read the first time and passed under suspension of the Rules by the following vote:

Yeas Mayor Wooldridge, Councilmen Gracy, Hart & Powell 4
Nays none.

The Mayor laid before the Council the resignation of Fred Carleton Jr as Store-Keeper, Water & Light Dept. On motion the resignation was accepted.

The Mayor acting as Supt Parks and Public Property submitted the following appointments in the Water and Light Dept, and asked that their confirmation lie over until the return of Supt Bartholemew, viz:

Jno S Ward to be First Book-Keeper, Chas D Casey to be Asst Cashier and H W Heierman to be Store-Keeper.

Councilman Hart nominated A T Coxwin to be City Detective to take effect from

August 1st 1909. The nomination was confirmed by the following vote:

Yeas Mayor Wooldridge, Councilmen Gracy & Powell 3
Nays none.

On motion the Council recessed subject to the call of the Mayor.

July 30th 1909.

The Council was called to order by the Mayor:

Present Mayor Wooldridge, Councilmen Gracy, Hart & Powell 4

Absent excused Councilman Bartholemew 1

The Mayor laid before the Council the following resolution:

Resolved by the City Council of the City of Austin: That a cordial invitation

is here extended to District Grand Lodge No 25 of the Grand United Order of Odd Fellows with headquarters in Waco, Texas, to hold its annual convention for the year Nineteen hundred and ten in the City of Austin, Texas.

The resolution was adopted by the following vote:

Yeas Mayor Wooldridge, Councilmen Gracy, Hart & Powell 4
Nays none.

Councilman Hart offered the following resolution, viz:

Resolved by the City Council of the City of Austin that the resolution heretofore passed on the 13th day of May 1909, fixing the price to be charged by the Assessor and Collector for copies of the Revised City ordinances owned by the City, at \$ 2.00 when bound in cloth and \$ 2.50 when bound in calf be and the same is hereby repealed, and the following price for said Revised ordinances be

Liquor Tax Ordinance

Fred Carleton Jr
resignation as
Store Keeper wld off

J S Ward for Chief Book Keeper
Chas Casey asst Cashier
H W Heierman Store Keeper
A T Coxwin City
Detective

Invitation District Grand
Lodge 25 United Order of
Odd Fellows

Price of Revised City
Ordinances

.and the same is hereby established and adopted ,to-wit:

75 cents to be charged for said ordinances where bound in cloth and
\$1.00 when bound in calf and that the Assessor and Collector be notified
of the adoption of this resolution.

The resolution was adopted by the following vote :

Yeas Mayor Wooldridge, Councilmen Gracy, Hart & Powell 4

Nays none.

On motion the Council adjourned .

J. S. Johnson
City Clerk.